

106TH CONGRESS
1ST SESSION

H. R. 2325

To amend titles XVIII and XIX of the Social Security Act with respect to changing the requirements for surety bonds of home health agencies, durable medical equipment suppliers, and others under the Medicare and Medicaid Programs.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 1999

Mr. STARK (for himself and Mrs. THURMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend titles XVIII and XIX of the Social Security Act with respect to changing the requirements for surety bonds of home health agencies, durable medical equipment suppliers, and others under the Medicare and Medicaid Programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicare and Medicaid
5 Surety Bond Reform Act of 1999”.

1 **SEC. 2. CHANGES IN MEDICARE SURETY BOND REQUIRE-**
 2 **MENTS.**

3 (a) HOME HEALTH AGENCIES.—Section 1861(o)(7)
 4 of the Social Security Act (42 U.S.C. 1395x(o)(7)) is
 5 amended—

6 (1) by striking “on a continuing basis” and in-
 7 serting “for the first 2 years of the agency’s or orga-
 8 nization’s participation in the program under this
 9 title or title XIX”; and

10 (2) by striking “in an amount that is not less
 11 than \$50,000” and inserting “in the amount of
 12 \$50,000”.

13 (b) DURABLE MEDICAL EQUIPMENT SUPPLIERS.—
 14 Section 1834(a)(16)(B) of the Social Security Act (42
 15 U.S.C. 1395m(a)(16)(B)) is amended—

16 (1) by striking “in an amount that is not less
 17 than \$50,000” and inserting “in the amount of
 18 \$50,000 for the first 2 years of the supplier’s par-
 19 ticipation in the program under this title or under
 20 title XIX, except that the requirement for a surety
 21 bond shall not apply to an angioplastologist and an
 22 entity that supplies only orthotics and prosthetics”.

23 (c) APPLICATION TO OTHER PROVIDERS.—

24 (1) REHABILITATION CLINICS.—Section
 25 1861(p)(4)(A)(v) of such Act (42 U.S.C.
 26 1395x(p)(4)(A)(v)) is amended—

1 (A) by striking “on a continuing basis”
2 and inserting “for the first 2 years of the agen-
3 cy’s participation in the program under this
4 title or title XIX”; and

5 (B) by striking “in an amount that is not
6 less than \$50,000” and inserting “in the
7 amount of \$50,000”.

8 (2) COMPREHENSIVE OUTPATIENT REHABILITA-
9 TION FACILITIES.—Section 1861(cc)(2)(I) of such
10 Act (42 U.S.C. 1395x(cc)(2)(I)) is amended—

11 (A) by striking “on a continuing basis”
12 and inserting “for the first 2 years of the facili-
13 ty’s participation in the program under this
14 title or title XIX”; and

15 (B) by striking “in an amount that is not
16 less than \$50,000” and inserting “in the
17 amount of \$50,000”.

18 (3) OPTIONAL COVERAGE FOR PROVIDERS OF
19 SERVICES.—Section 1866(a)(1) of such Act (42
20 U.S.C. 1395cc(a)(1)) is amended—

21 (A) in subparagraph (R), by adding a
22 semicolon at the end;

23 (B) by striking the period at the end of
24 subparagraph (S) and inserting “; and”;

1 (C) by inserting after subparagraph (S)
 2 the following new subparagraph:

3 “(T) in the case of hospitals, skilled nursing fa-
 4 cilities, and hospice programs and to the extent pro-
 5 vided in regulations, to provide the Secretary for the
 6 first 2 years of the provider’s participation in the
 7 program under this title or title XIX with a surety
 8 bond in a form specified by the Secretary and in the
 9 amount of \$50,000.”; and

10 (D) by adding at the end the following new
 11 sentence: “The Secretary may waive the re-
 12 quirement of a surety bond under subparagraph
 13 (T) in the case of a provider that provides a
 14 comparable surety bond under State law.”.

15 (d) COORDINATION OF SURETY BONDS.—Part A of
 16 title XI of the Social Security Act is amended by adding
 17 at the end the following new section:

18 “COORDINATION OF MEDICARE AND MEDICAID SURETY
 19 BOND PROVISIONS

20 “SEC. 1148. In the case of a home health agency,
 21 durable medical equipment supplier, or other entity that
 22 is subject to a surety bond under title XVIII and title
 23 XIX, the surety bond provided to satisfy the requirement
 24 under one such title shall satisfy the requirement under
 25 the other such title so long as the bond applies to guar-
 26 antee return of overpayments under both such titles.”.

1 **SEC. 3. CHANGES IN MEDICAID SURETY BOND REQUIRE-**
2 **MENTS.**

3 (a) HOME HEALTH AGENCIES.—Section 1903(i)(18)
4 of the Social Security Act (42 U.S.C. 1396b(i)(18)) is
5 amended by striking “in a form specified by the Secretary
6 under paragraph (7) of section 1861(o) and in an amount
7 that is not less than \$50,000” and inserting “in a form
8 and amount described in paragraph (7) of section
9 1861(o)”.

10 (b) DURABLE MEDICAL EQUIPMENT SUPPLIERS.—
11 Section 1902(a)(65)(B) of such Act (42 U.S.C.
12 1396a(a)(65)(B)) is amended by striking “a surety bond
13 in a form specified by the Secretary under section
14 1834(a)(16)(B) and in an amount that is not less than
15 \$50,000 or” and inserting “except as exempted under sec-
16 tion 1834(a)(16)(B), a surety bond in a form and amount
17 described in such section”.

18 (c) OTHER PROVIDERS.—Section 1903(i)(18) of such
19 Act (42 U.S.C. 1396b(i)(18)) is amended—

20 (1) by inserting “(A)” after “(18)”; and

21 (2) by inserting before the semicolon at the end
22 the following: “, or (B) with respect to any amount
23 expended for items or services provided by a pro-
24 vider of services described in subparagraph (T) of
25 section 1866(a)(1) unless the provider provides the
26 State agency a surety bond in a form and amount

1 specified by the Secretary under such section or such
2 comparable surety bond as the Secretary may permit
3 under the last sentence of such section”.

4 **SEC. 4. EFFECTIVE DATE.**

5 The amendments made by this Act take effect on the
6 date of the enactment of this Act.

